

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

CYPRESS HOLDINGS, III, L.P., individually and derivatively on behalf of SPORT-BLX, INC.,

Plaintiff,

-against-

GEORGE HALL, JOSEPH DE PERIO, DANIEL STRAUSS, FRANCIS RUCHALSKI, CESAR BAEZ, CHRISTOPHER JOHNSON, SPORT-BLX, INC., SPORT-BLX SECURITIES, INC., CLINTON GROUP INC., and GLASSBRIDGE ENTERPRISES, INC.,

## Defendants.

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: Case No. 22-cv-01243 (LGS)

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: Hon. Lorna Schofield

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**DEFENDANTS GLASSBRIDGE**

: ENTERPRISES, INC., DANIEL

: **STRAUSS AND FRANCIS**

## **: RUCHALSKI'S AMENDEMENT**

**ANSWER TO PLAINTIFF**

**CYPRESS HOLDINGS, III, L.P.'S**

**SECOND AMENDED COMPLAINT**

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Defendants GlassBridge Enterprises, Inc. (“GlassBridge”), Daniel Strauss (“Strauss”) and Francis Ruchalski (“Ruchalski” collectively, with GlassBridge and Strauss, “Defendants”), by and through their attorneys, Loeb & Loeb LLP, as and for their amended answer to the Second Amended Complaint (“SAC”) of Plaintiff Cypress Holdings, III, L.P. (“Cypress”), state as follows:

## INTRODUCTION

1. Defendants deny the allegations in paragraph 1.
2. Defendants deny the allegations in the first sentence of paragraph 2.
3. Defendants deny the allegations in paragraph 3, except admit that Defendants George Hall (“Hall”) and Joseph De Perio (“De Perio”) sold their controlling stock interest of Sport-BLX, Inc. (“Sport-BLX”) stock to GlassBridge.
4. Defendants deny the allegations in paragraph 4, except admit that GlassBridge purchased shares of Sport-BLX stock.
5. Defendants deny the allegations in paragraph 5.

6. Defendants deny the allegations in paragraph 6.

**JURISDICTION AND VENUE**

7. Paragraph 7 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 7.

8. Paragraph 8 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants admit the allegations in paragraph 8.

9. Paragraph 9 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 9.

**THE PARTIES**

10. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 10.

11. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 11.

12. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 12.

13. Defendants admit the allegations in paragraph 13.

14. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in the first sentence of paragraph 14, except admit that Hall is the beneficial holder of approximately 31.1% of the outstanding common stock of GlassBridge. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in the second sentence of paragraph 14.

15. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 15, except admit that De Perio is a member of the Board of Directors of GlassBridge and owns approximately 2.47% of GlassBridge's outstanding common stock.

16. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 16.

17. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 17.

18. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 18.

19. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 19.

20. Defendants deny the allegations in paragraph 20, except admit that Strauss (1) is the Chief Executive Officer of GlassBridge and (2) was a previous Portfolio Manager at Clinton Group Inc. ("Clinton Group").

21. Defendants deny the allegations in paragraph 21, except admit that Ruchalski (1) is the Chief Financial Officer of GlassBridge and (2) is a member of the Board of Directors of Clinton Group.

### **PLAINTIFF'S STANDING**

22. Paragraph 22 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 22.

23. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 23.

24. Paragraph 24 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 24.

25. Paragraph 25 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 25.

26. Paragraph 26 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 26.

### **FACTUAL ALLEGATIONS**

27. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 27.

28. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 28.

29. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 29.

30. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 30.

31. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 31.

32. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 32.

33. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 33.

34. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 34.

35. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 35.

36. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 36.

37. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 37.

38. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 38.

39. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 39.

40. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 40.

41. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 41.

42. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 42.

43. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 43.

44. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 44.

45. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 45.

46. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 46.

47. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 47.

48. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 48.

49. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 49.

50. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 50.

51. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 51.

52. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 52.

53. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 53.

54. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 54.

55. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 55.

56. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 56.

57. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 57.

58. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 58.

59. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 59.

60. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 60.

61. Defendants deny the allegations in paragraph 61.

62. Defendants deny the allegations in paragraph 62.

63. Defendants deny the allegations in paragraph 63.

64. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 64.

65. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 65.

66. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 66.

67. Defendants deny the allegations in paragraph 67.

68. Defendants deny the allegations in paragraph 68.

69. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 69.

70. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 70.

71. Defendants deny the allegations in paragraph 71.

72. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 72.

73. Defendants deny the allegations in paragraph 73 except admit that, on December 12, 2019, GlassBridge purchased shares of Sport-BLX owned by Hall and De Perio at a value of \$355 per share and refer to the relevant purchase agreements for their full contents.

74. Defendants deny the allegations in paragraph 74.

75. Paragraph 75 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 75.

76. Defendants deny the allegations in paragraph 76.

77. Defendants deny the allegations in paragraph 77, except admit that the shareholders of Sport-BLX voted Michael Salerno off the Sport-BLX Board.

78. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 78.

79. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 79.

80. Defendants deny the allegations in paragraph 80.

81. Defendants deny the allegations in the first sentence of paragraph 81. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in the second sentence of paragraph 81.

82. Defendants deny the allegations in the first sentence of paragraph 82. Defendants lack knowledge or information sufficient to form a belief as to the truth of the remaining allegations in paragraph 82.

83. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 83.

84. Defendants deny the allegations in paragraph 84.

85. Defendants deny the allegations in paragraph 85, except admit that, on December 30, 2021, GlassBridge sold all of its Sport-BLX stock through a sale to Fintech Debt Corp.

86. Paragraph 86 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 86.

87. Paragraph 87 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 87.

88. Defendants deny the allegations in the first sentence of paragraph 88. Defendants deny the allegations in the second sentence of paragraph 88, except Defendants lack knowledge or information sufficient to form a belief as to Hall and De Perio's current interest in S-BLX Securities, and Defendants admit that, on June 5, 2020, Sport-BLX entered into a Subscription Agreement with S-BLX Securities. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in the third sentence of paragraph 88.

89. Defendants deny the allegations in paragraph 89, except admit that Sport-BLX sold proprietary code to S-BLX Securities for a total of \$225,000 on December 21, 2021.

90. Defendants deny the allegations in paragraph 90.

91. Defendants deny the allegations in paragraph 91.

92. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 92.

**COUNT ONE**

**Violation of Section 10(b) of the Securities and Exchange Act of 1934 and Rule 10b-5  
(17 C.F.R. § 240.10b-5) – Against Hall, De Perio and Sport-BLX**

93. Defendants' responses to the allegations contained in paragraphs 1-92 above are incorporated by reference in response to paragraph 93, as though fully set forth herein.

94. Paragraph 94 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 94.

95. Paragraph 95 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 95.

96. Paragraph 96 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 96.

97. Paragraph 97 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 97.

98. Paragraph 98 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 98.

99. Paragraph 99 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 99.

100. Paragraph 100 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 100.

101. Paragraph 101 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 101.

102. Paragraph 102 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 102.

103. Paragraph 103 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 103.

104. Paragraph 104 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 104.

105. Paragraph 105 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 105.

106. Paragraph 106 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 106.

107. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 107.

108. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 108.

109. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 109.

110. Paragraph 110 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 110.

111. Paragraph 111 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 111.

112. Paragraph 112 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 112.

113. Paragraph 113 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 113.

114. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 114.

115. Paragraph 115 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 115.

116. Paragraph 116 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 116.

117. Paragraph 117 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 117.

118. Paragraph 118 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 118.

119. Paragraph 119 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 119.

**COUNT TWO**  
**Breach of the Covenant of Good Faith and Fair Dealing – Against Hall, De Perio and Sport-BLX**

120. Defendants' responses to the allegations contained in paragraphs 1-119 above are incorporated by reference in response to paragraph 120, as though fully set forth herein.

121. Paragraph 121 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 121.

122. Paragraph 122 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 122.

123. Paragraph 123 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 123.

124. Paragraph 124 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 124.

**COUNT THREE**  
**Fraud in the Inducement – Against Hall, De Perio and Sport-BLX**

125. Defendants' responses to the allegations contained in paragraphs 1-124 above are incorporated by reference in response to paragraph 125, as though fully set forth herein.

126. Paragraph 126 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 126.

127. Paragraph 127 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 127.

128. Paragraph 128 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 128.

129. Paragraph 129 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 129.

130. Paragraph 130 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 130.

131. Paragraph 131 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 131.

132. Paragraph 132 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 132.

133. Paragraph 133 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 133.

**COUNT FOUR**  
**Negligent Misrepresentation – Against De Perio, Hall and Sport-BLX**

134. Defendants' responses to the allegations contained in paragraphs 1-133 above are incorporated by reference in response to paragraph 134, as though fully set forth herein.

135. Paragraph 135 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 135.

136. Paragraph 136 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 136.

137. Paragraph 137 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 137.

138. Paragraph 138 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 138.

**COUNT FIVE**  
**Breach of Fiduciary Duty – Against Hall and De Perio**

139. Defendants' responses to the allegations contained in paragraphs 1-138 above are incorporated by reference in response to paragraph 139, as though fully set forth herein.

140. Paragraph 140 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 140.

141. Paragraph 141 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 141.

142. Paragraph 142 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 142.

**COUNT SIX**  
**Unjust Enrichment – Against George Hall, Joseph De Perio, S-BLX Securities, and GlassBridge**

143. Defendants' responses to the allegations contained in paragraphs 1-142 above are incorporated by reference in response to paragraph 143, as though fully set forth herein.

144. Paragraph 144 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 144.

145. Paragraph 145 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 145.

146. Paragraph 146 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 146.

147. Paragraph 147 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 147.

148. Paragraph 148 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 148.

**COUNT SEVEN**

**Unjust Enrichment – Against George Hall, Joseph De Perio, and S-BLX Securities  
Derivatively on Behalf of Sport-BLX**

149. Defendants' responses to the allegations contained in paragraphs 1-148 above are incorporated by reference in response to paragraph 149, as though fully set forth herein.

150. Paragraph 150 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 150.

151. Paragraph 151 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 151.

**COUNT EIGHT**

**Tortious Interference with Contract – Against GlassBridge**

152. Defendants' responses to the allegations contained in paragraphs 1-151 above are incorporated by reference in response to paragraph 152, as though fully set forth herein.

153. Paragraph 153 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 153.

154. Paragraph 154 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 154.

155. Paragraph 155 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 155.

156. Paragraph 156 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 156.

**COUNT NINE**  
**Tortious Interference with Contract – Against Clinton Group**

157. Defendants' responses to the allegations contained in paragraphs 1-156 above are incorporated by reference in response to paragraph 157, as though fully set forth herein.

158. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 158.

159. Paragraph 159 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 159.

160. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 160.

161. Paragraph 161 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 161.

162. Paragraph 162 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 162.

163. Paragraph 163 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 163.

**COUNT TEN**  
**Tortious Interference with Contract – Against S-BLX Securities**

164. Defendants' responses to the allegations contained in paragraphs 1-163 above are incorporated by reference in response to paragraph 164, as though fully set forth herein.

165. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 165.

166. Paragraph 166 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 166.

167. Paragraph 167 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 167.

168. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 168.

**COUNT ELEVEN**

**Unjust Enrichment – Against Clinton Group, Derivatively on behalf of Sport-BLX**

169. Defendants' responses to the allegations contained in paragraphs 1-168 above are incorporated by reference in response to paragraph 169, as though fully set forth herein.

170. Paragraph 170 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 170.

171. Paragraph 171 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 171.

172. Paragraph 172 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 172.

173. Paragraph 173 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 173.

**COUNT TWELVE**

**Aiding and Abetting a Breach of Fiduciary Duty – Against Clinton Group, GlassBridge, and S-BLX Securities**

174. Defendants' responses to the allegations contained in paragraphs 1-173 above are incorporated by reference in response to paragraph 174, as though fully set forth herein.

175. Paragraph 175 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 175.

176. Paragraph 176 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 176.

177. Paragraph 177 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 177.

178. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 178.

179. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 179.

180. Paragraph 180 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 180.

181. Paragraph 181 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 181.

182. Paragraph 182 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 182.

183. Paragraph 183 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 183.

184. Paragraph 184 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the truth of the allegations in paragraph 184.

185. Paragraph 185 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 185.

186. Paragraph 186 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 186.

187. Paragraph 187 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 187.

188. Paragraph 188 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 188.

189. Paragraph 189 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 189.

190. Paragraph 190 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 190.

191. Paragraph 191 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 191.

192. Paragraph 192 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 192.

**COUNT THIRTEEN**

**Breach of Fiduciary Duty – Against Hall and De Perio, Derivatively on behalf of Sport-BLX**

193. Defendants' responses to the allegations contained in paragraphs 1-192 above are incorporated by reference in response to paragraph 193, as though fully set forth herein.

194. Paragraph 194 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 194.

195. Paragraph 195 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 195.

196. Paragraph 196 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 196.

**COUNT FOURTEEN**

**Breach of Fiduciary Duty – Against Francis Ruchalski and Daniel Strauss, Derivatively on behalf of Sport-BLX**

197. Defendants' responses to the allegations contained in paragraphs 1-196 above are incorporated by reference in response to paragraph 197, as though fully set forth herein.

198. Paragraph 198 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 198.

199. Paragraph 199 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 199.

200. Paragraph 200 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 200.

201. Paragraph 201 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 201.

202. Paragraph 202 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 202.

**COUNT FIFTEEN**

**Breach of Fiduciary Duty – Against Francis Ruchalski and Daniel Strauss**

203. Defendants' responses to the allegations contained in paragraphs 1-202 above are incorporated by reference in response to paragraph 203, as though fully set forth herein.

204. Paragraph 204 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 204.

205. Paragraph 205 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 205.

206. Paragraph 206 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 206.

207. Paragraph 207 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 207.

**COUNT SIXTEEN**

**Breach of Fiduciary Duty – Against Christopher Johnson and Cesar Baez Derivatively on behalf of Sport-BLX**

208. Defendants' responses to the allegations contained in paragraphs 1-207 above are incorporated by reference in response to paragraph 208, as though fully set forth herein.

209. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 209.

210. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 210.

211. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 211.

212. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 212.

213. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 213.

214. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 214.

215. Paragraph 215 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 215.

216. Paragraph 216 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 216.

217. Paragraph 217 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 217.

218. Paragraph 218 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 218.

**COUNT SEVENTEEN**

**Usurpation of a Corporate Opportunity – Against George Hall and Joseph De Perio  
Derivatively on behalf of Sport-BLX**

219. Defendants' responses to the allegations contained in paragraphs 1-218 above are incorporated by reference in response to paragraph 219, as though fully set forth herein.

220. Paragraph 220 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 220.

221. Paragraph 221 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 221.

222. Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 222 and respectfully refer to the referenced agreement for its contents.

223. Defendants deny the allegations in paragraph 223.

224. Paragraph 224 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 224.

225. Paragraph 225 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 225.

226. Paragraph 226 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants lack knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 226.

227. Paragraph 227 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 227.

**COUNT EIGHTEEN**

**Corporate Waste – Against George Hall, Joseph De Perio, Francis Ruchalski, Daniel Strauss, Cesar Baez, and Christopher Johnson, Derivatively on behalf of Sport-BLX**

228. Defendants' responses to the allegations contained in paragraphs 1-227 above are incorporated by reference in response to paragraph 228, as though fully set forth herein.

229. Paragraph 229 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 229.

230. Paragraph 230 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 230.

231. Paragraph 231 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 231.

**COUNT NINETEEN**

**Minority Shareholder Oppression – Against George Hall, Joseph De Perio, and GlassBridge**

232. Defendants' responses to the allegations contained in paragraphs 1-231 above are incorporated by reference in response to paragraph 232, as though fully set forth herein.

233. Paragraph 233 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 233.

234. Paragraph 234 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 234.

235. Paragraph 235 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 235.

236. Paragraph 236 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 236.

237. Paragraph 237 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 237.

238. Paragraph 238 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 238.

239. Paragraph 239 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 239.

240. Paragraph 240 contains legal conclusions, to which no response is required. To the extent a response is required, Defendants deny the allegations in paragraph 240.

### **RESPONSE TO WHEREFORE CLAUSES**

241. Defendants assert that no response is required to the items contained in Plaintiff's requests for relief in each of its causes of action. To the extent any response is required, Defendants deny that Plaintiff is entitled to any relief as against any of them.

### **DEFENSES**

Defendants assert the following defenses without assuming any burden that they would not otherwise bear and without reducing or removing Plaintiff's burdens of proof on its claims against Defendants. Defendants reserve the right to amend their currently pled defenses and/or assert additional defenses as they become apparent through discovery and further investigation.

#### **First Defense**

1. The Second Amended Complaint, in whole or in part, fail to state a claim upon which relief can be granted against Defendants.

#### **Second Defense**

2. Plaintiff's claims are barred, in whole or in part, for lack of standing because, among other things, Plaintiff failed to establish demand futility, improperly conflates and intermingles direct and derivative causes of action, and seeks to recover against improper parties.

**Third Defense**

3. Plaintiff's claims are barred, in whole or in part, because Defendants did not owe and/or breach any duty to Plaintiff.

**Fourth Defense**

4. Plaintiff's claims are barred, in whole or in part, because Defendants' conduct is protected by the business judgment rule.

**Fifth Defense**

5. Plaintiff's claims are barred, in whole or in part, based upon the applicable statute(s) of limitation.

**Sixth Defense**

6. Plaintiff's claims are barred, in whole or in part, because Plaintiff approved, waived, ratified and/or accepted the alleged acts or omissions alleged in the Second Amended Complaint.

**Seventh Defense**

7. Plaintiff's claims are barred or limited, in whole or in part, by the doctrine of unclean hands.

**Eighth Defense**

8. To the extent that Plaintiff has been damaged, which Defendants deny, Plaintiff's recovery is barred, in whole or in part, because Plaintiff has failed to mitigate such damages.

**Ninth Defense**

9. Plaintiff's claims are barred or limited, in whole or in part, because if Plaintiff sustained any damages, said damages were directly and proximately caused or contributed to, in

whole or in part, by the acts, omissions, or conduct of persons or entities other than Defendants, and/or by intervening forces or conditions over which Defendants had no control.

**Tenth Defense**

10. Plaintiff's claims are barred, in whole in part, because Article VIII of Sport-BLX's Certificate of Incorporation provides that Strauss and Ruchalski may not be held personally liable to Sport-BLX or its shareholders for monetary damages for breach of fiduciary duties as directors and/or are exculpated from any such liability to the fullest extent permitted by applicable law including, without limitation, Section 102(b)(7) of the Delaware General Corporation Law.

**WHEREFORE**, Defendants demand judgment:

- (A) Dismissing Plaintiff's Second Amended Complaint as against them, with prejudice;
- (B) Awarding Defendants' costs and expenses, including attorneys' fees incurred in this action; and
- (C) Awarding such other and further relief as the Court may find just and proper.

Dated: New York, New York  
March 3, 2023

LOEB & LOEB LLP

By: /s/ Christian D. Carbone

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